

**CITY OF HAYWARD**  
**AGENDA REPORT**

AGENDA DATE 12/18/01

AGENDA ITEM 7

WORK SESSION ITEM \_\_\_\_\_

**TO:** Redevelopment Agency Board Members

**FROM:** Director of Community and Economic Development

**SUBJECT:** Authorization to Enter into an Exclusive Negotiating Agreement with Cannery Community Partners, LLC, for a Proposed Development at C, Filbert, Myrtle and Winton Avenue

**RECOMMENDATION:**

It is recommended that the Board approve the attached resolution authorizing the Executive Director to enter into an Exclusive Negotiating Agreement with Cannery Community Partners, LLC for a period of six months.

**BACKGROUND:**

On July 24, 2001 the Agency Board authorized the issuance of a Request for Development Proposals (RFP) for the majority of the Cannery Area shown as Sub Area 2 in the Design Plan. The RFP was intended to implement the Cannery Area Design Plan, along with Zoning Ordinance and General Plan modifications that were introduced at the same meeting.

The RFP was issued as of August 1, 2001 with a due date of September 28, 2001. The RFP was issued to approximately 30 developers, plus affected property owners, on-site business owners and other interested parties. The Agency held a pre-submittal conference on August 28, 2001 for interested developers, and it appeared at that time that approximately five development teams were seriously considering submitting a proposal, including Catellus, Legacy Partners, Shea Homes, Lennar, and the DeSilva Group. Ultimately, the Agency received one submittal from a development team consisting of Shea Homes and Centex Homes.

**SUMMARY OF THE PROPOSAL:**

Shea Homes and Centex Homes are both very large home building companies. Centex is publicly traded on the New York Stock Exchange, and reports annual revenues of approximately \$5 billion. In fiscal year 2000, Centex reported sales of approximately 19,000 homes nationally, of which 3,600 were in California. The combined Shea companies had revenues of \$1.7 billion in 2000, and delivered approximately 4,900 homes. The two companies are joint venture partners on several projects in the Bay Area, including Alameda Point at the former Alameda Naval Air Station, Rivermark, in Santa Clara and the former Hamilton Army Airfield Novato. These projects involve developments of between 1,100 and

1,800 housing units plus significant amounts of commercial development, public facilities and open space on sites in the 150 to 800 acre range. In addition, each company has undertaken other large local projects, such as River Oaks and Silver Creek in San Jose (Shea), and Five Canyons and Foster City development (Centex). Most of these proposed and completed developments incorporate a variety of housing types, and are marketed to a variety of income levels, from "upscale" to senior and affordable housing. In addition, a couple of these projects are considered to be transit-oriented developments, including River Oaks, and Alameda Point. Finally, several of these projects – particularly those involving former military bases, include special considerations such as environmental remediation and building re-use and recycling considerations.

Other proposed development team members include: The Dahlin Group, architects; Singer, Fukushima, landscape architects; Ruggeri, Jensen, Azar & Associates, civil engineers; Eden Housing, affordable housing; and West, Inc., environmental site analysis. There are a number of other specialized consulting firms on the project team. The Dahlin Group has designed numerous large developments, including Alameda Point and Rivermark.

The development team is committed to adhering to Hayward's non-discriminatory hiring practices as well as its prevailing wage policies. Moreover, the developer has indicated a commitment to sustainable development practices, including the use of recycled and "green" building materials such as bamboo flooring.

The proposal submitted by the development team was thorough, and addressed all the items of information that were requested by the Agency in the RFP. The developers recognized the amount of thought and public process that had gone into the Cannery Area Design Plan, and chose to incorporate that Plan as the basic framework for their proposal. As a result, the street network, location of school, parks and greenways and other facilities are essentially the same. The total number of units proposed by the developer, at 708, is higher than the 656 units designated at the high end of the range listed in the RFP, and some adjustment may be needed. However, the overall density of 23.2 units per acre is within the ranges called for in the Design Plan.

There are a variety of proposed housing types anticipated under the Plan. These include two types of live/work units, units laid out in 12-plex buildings, 4-plex buildings, traditional town homes, carriage house units, and single-family homes. The market rate units are currently projected to have sales prices ranging from about \$288,000 to \$445,000. The development team proposes that 15%, or 106 of these units be designated as affordable housing, including all of the carriage units and some of the 12-plexes. The affordable units would be scattered throughout the site and have sales prices ranging from about \$110,000 to \$175,000. The proposal assumes that all of the housing units would be sold, although the development team has subsequently indicated a willingness to look at some rental product.



The proposal does differ from the Design Plan in some of details. One of these aspects is that the development team proposes building live/work lofts along not only the north edge of the site area, but along the western, or railroad side, and at the southern end of the panhandle greenway, where they provide an opportunity for some retail in this part of the neighborhood. The development team believes that this is an appropriate type of product to use in these areas in particular, because of the flexible nature of this use. As a result, the potential amount of retail space could be significantly higher than anticipated in the Design Plan. If all first floor space in the live/work units were devoted to retail, it would translate to 48,640 square feet rather than the 10,000 square feet in the adopted plan. It is unlikely that this would actually come about, but the designation does allow for flexibility in the amount and location of retail in response to market demand.

The development team proposes that the project be constructed in three phases. Phase One includes the new Burbank Elementary School and expanded Cannery Park, as well as the Water Tower Park and housing through the mid-section of the development site. Phase Two encompasses the southern end of the site, and Phase Three includes the portion that is immediately adjacent to the school and park. A part of the Phase Three area is property that is owned by Libitsky Holdings and is encumbered by multi-year leases. The development team has held preliminary discussions with some of the property owners regarding acquisition. The proposed development schedule assumes that a Disposition and Development Agreement (DDA) could be negotiated and executed by the second quarter of 2002 and property acquisition could commence at that time. The schedule also indicates that Phase One could be completed by early 2006, Phase Two in early 2007 and Phase Three in 2008. A more detailed schedule with benchmark dates would be developed as part of the DDA.

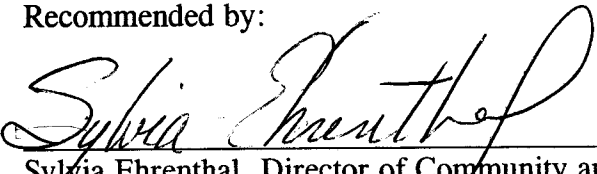
Staff has reviewed the proposal submitted by Cannery Community Partners. In addition, copies of the proposal were sent to the staff of the Hayward Area Recreation District and the Hayward Unified School District for their review, and a subsequent meeting was held with the proposed development team in order to get clarification on various aspects of the proposal. A variety of public facilities and improvements, including the school, parks and affordable housing components, will need to be analyzed in terms of cost and financing implications. Staff will also be working to establish a more precise estimate of the projected tax increment to be generated by the development and the ability to reinvest those funds in the project. During this period staff will also need to work closely with the staff of HARD and HUSD on expansion and reconfiguration of their properties.

It is recommended that the Agency Board authorize the Executive Director to enter into an Exclusive Negotiating Agreement (ENA) with the Cannery Community Partners for a period of six months. The developer has agreed to pay a deposit for the ENA of \$50,000. This deposit would be non-refundable to the extent necessary to pay the costs of the Agency (legal counsel and other consultants) until there is an executable Disposition and Development Agreement with the Agency. A copy of the ENA, in substantially final form, is on file in the Office of the City Clerk.

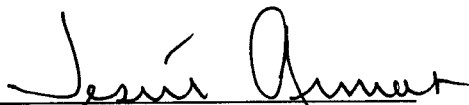
Prepared by:

  
Maret Bartlett, Redevelopment Director

Recommended by:

  
Sylvia Ehrental, Director of Community and  
Economic Development

Approved by:

  
Jesús Armas, City Manager

Attachments: Exhibit A – Site Plan  
Exhibit B – Phasing Plan  
Exhibit C – Architectural Elevations

**DRAFT**

REDEVELOPMENT AGENCY OF THE CITY OF HAYWARD

RESOLUTION NO. RA-\_\_\_\_\_

Introduced by Agency Member \_\_\_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER  
TO EXECUTE AN EXCLUSIVE NEGOTIATION  
AGREEMENT BETWEEN THE CITY OF HAYWARD  
AND CANNERY COMMUNITY PARTNERS, LLC FOR  
A PROPOSED DEVELOPMENT AT C, FILBERT,  
MYRTLE AND WINTON AVENUE

BE IT RESOLVED by the City Council of the City of Hayward that the  
City Manager is hereby authorized and directed to execute on behalf of the City of  
Hayward an exclusive negotiating agreement with a term of six months with Cannery  
Community Partners, LLC for a proposed development at C, Filbert, Myrtle and Winton  
Avenue.

HAYWARD, CALIFORNIA \_\_\_\_\_, 2001

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

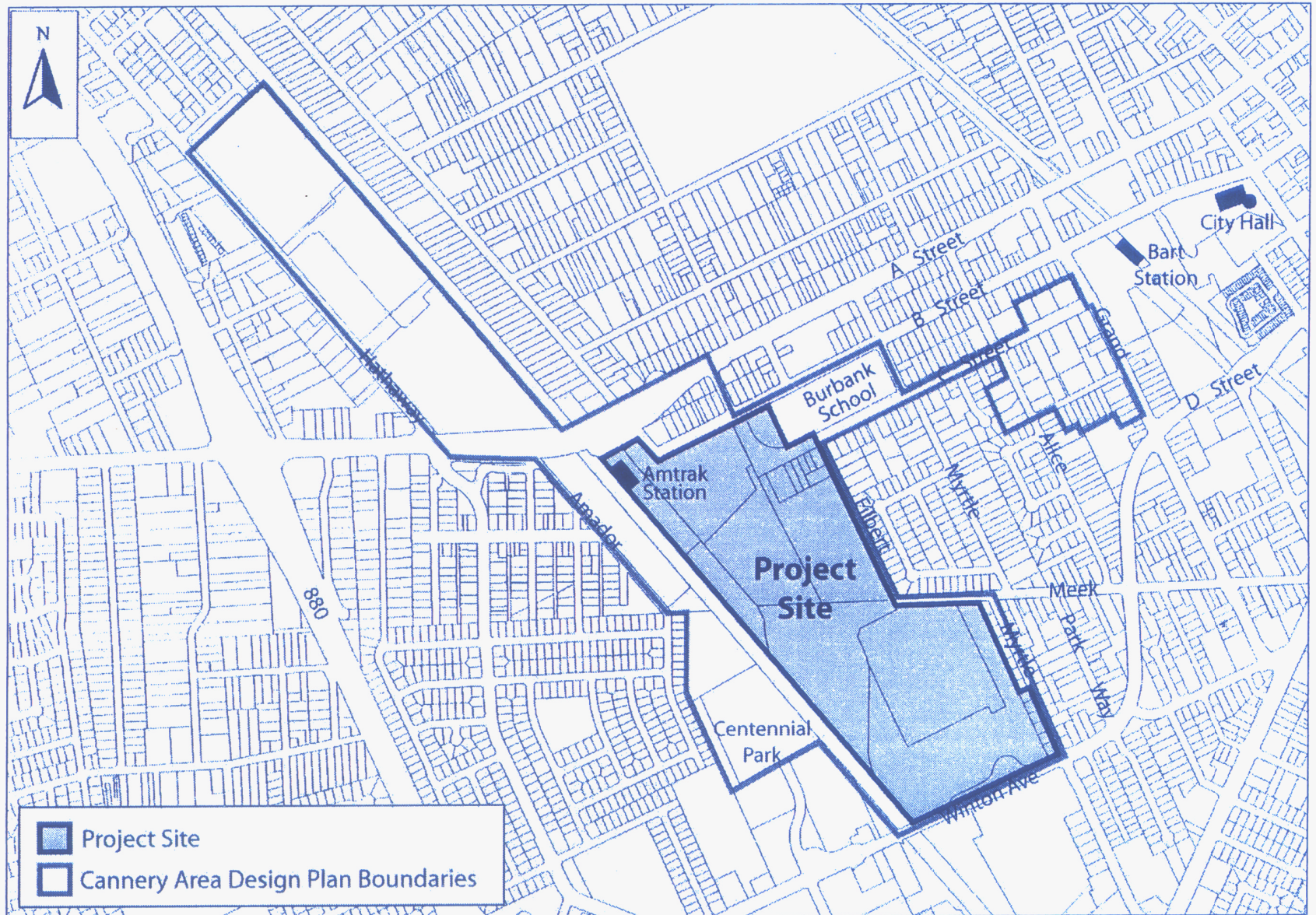
ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_

Secretary of the Redevelopment Agency  
of the City of Hayward

APPROVED AS TO FORM:

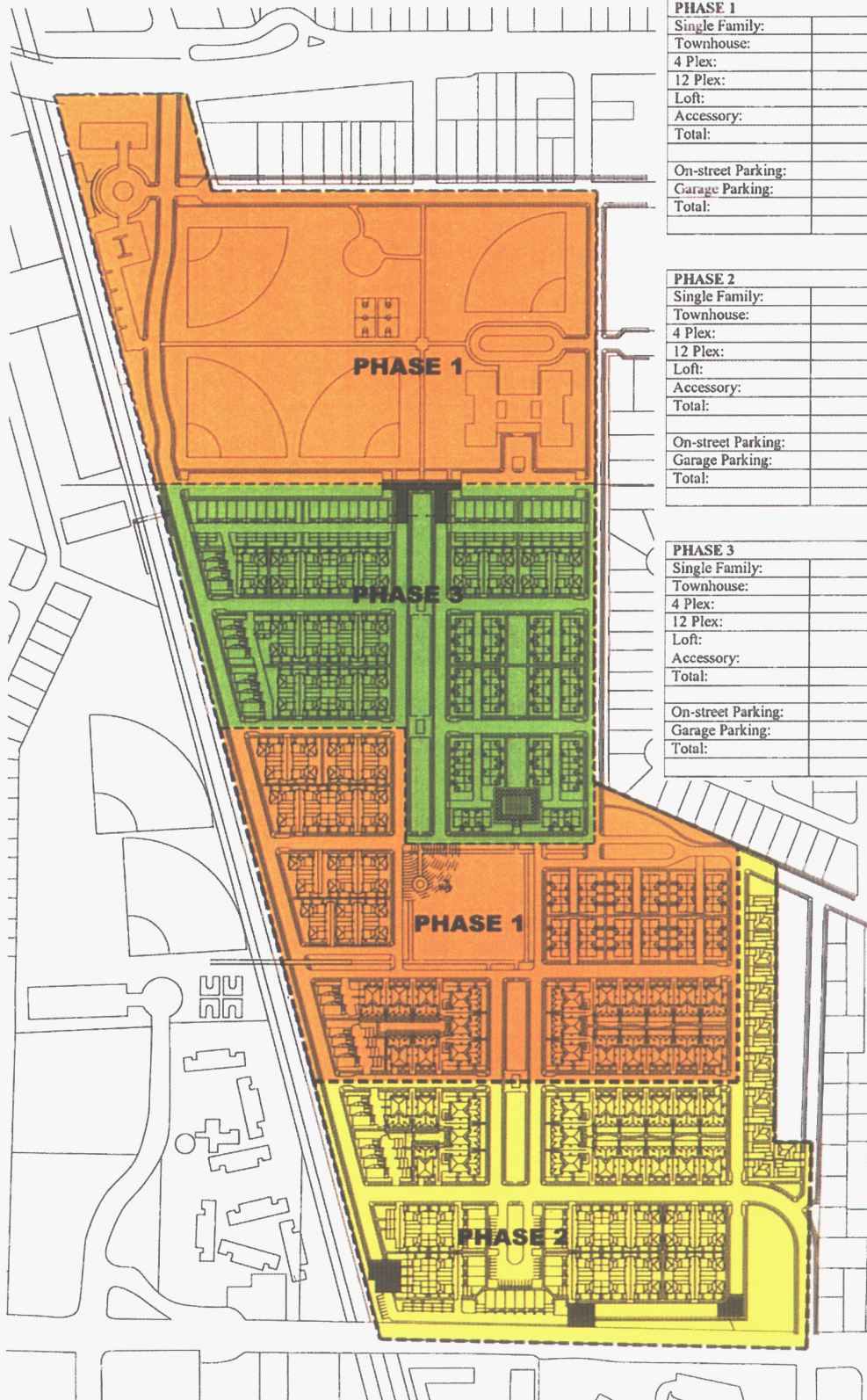
\_\_\_\_\_  
General Counsel





# EXHIBIT B PHASING PLAN

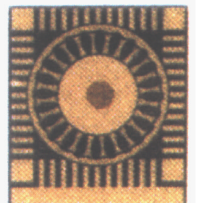
The plan has been broken into three master phases.



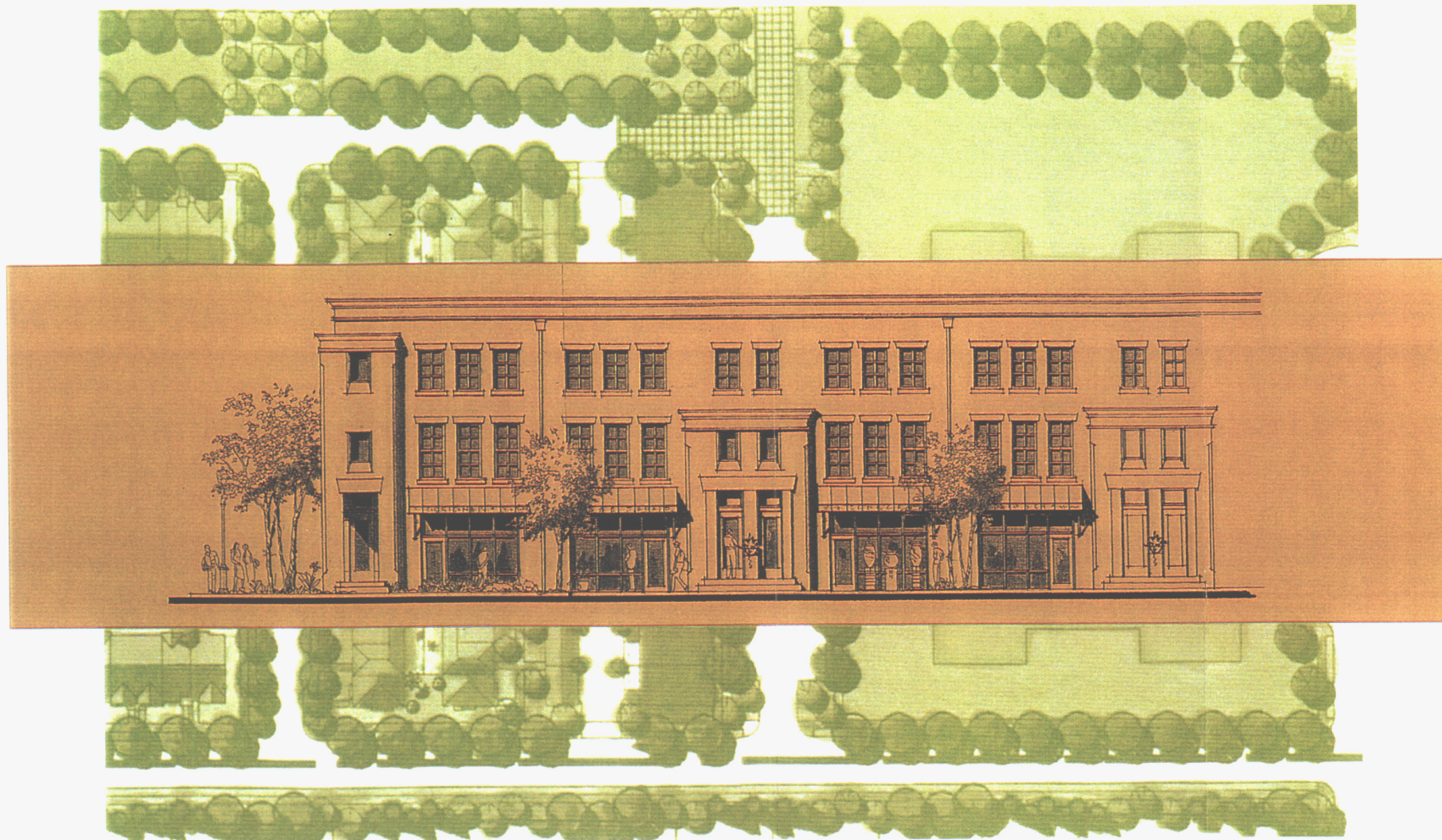
PHASE 1	
Single Family:	0 Units
Townhouse:	60 Units
4 Plex:	84 Units
12 Plex:	78 Units
Loft:	7 Units
Accessory:	4 Units
Total:	233 Units
On-street Parking:	195
Garage Parking:	466
Total:	661
	(2.8/ Unit)

PHASE 2	
Single Family:	18 Units
Townhouse:	0 Units
4 Plex:	76 Units
12 Plex:	82 Units
Loft:	27 Units
Accessory:	16 Units
Total:	219 Units
On-street Parking:	241
Garage Parking:	438
Total:	679
	(3.1/ Unit)

PHASE 3	
Single Family:	0 Units
Townhouse:	84 Units
4 Plex:	0 Units
12 Plex:	102 Units
Loft:	42 Units
Accessory:	28 Units
Total:	256 Units
On-street Parking:	286
Garage Parking:	512
Total:	798
	(3.1/ Unit)

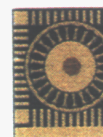






Park Front Live Work Lofts

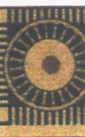
EXHIBIT C-1



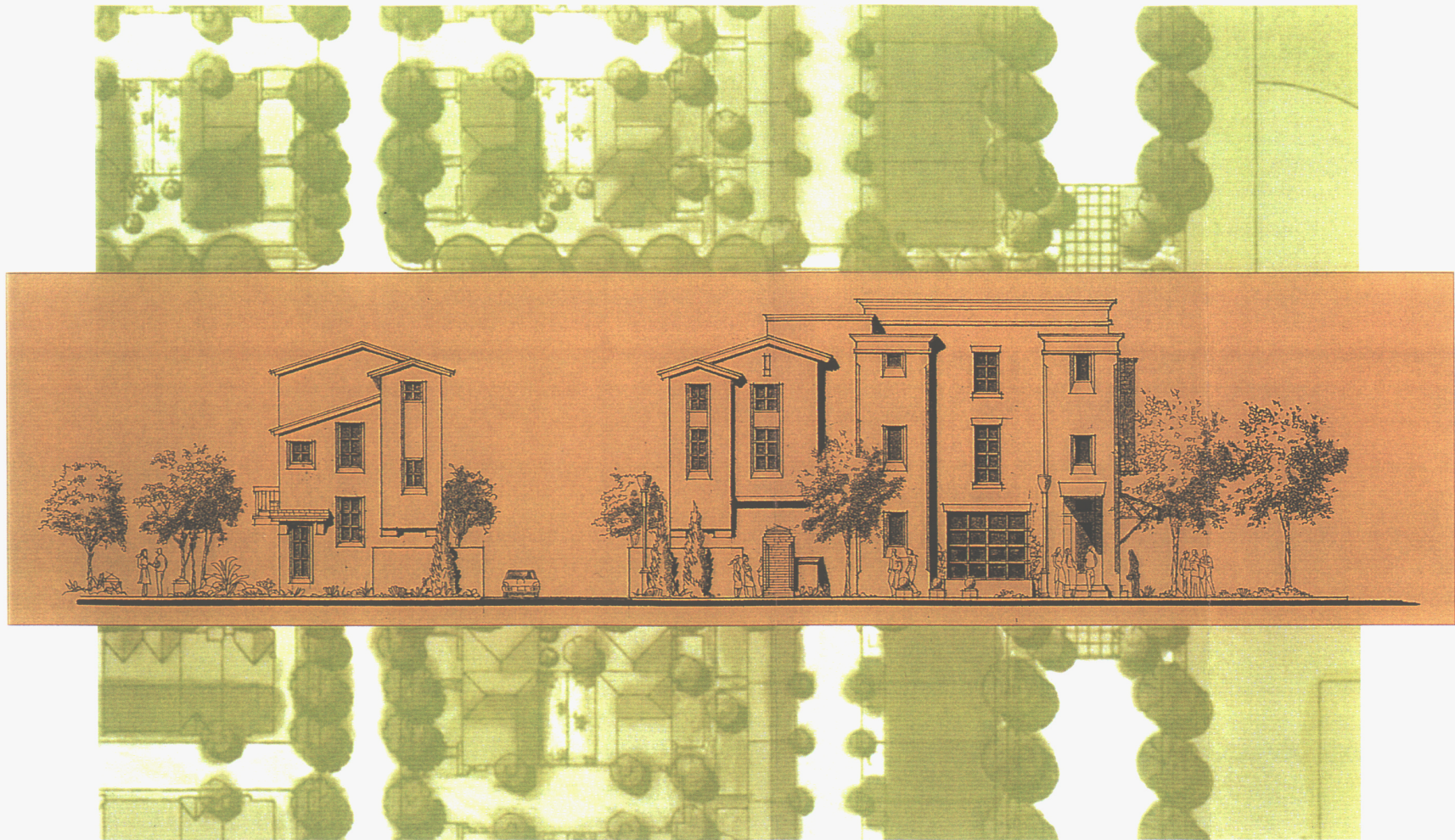




**Rail Front Live Work Lofts**



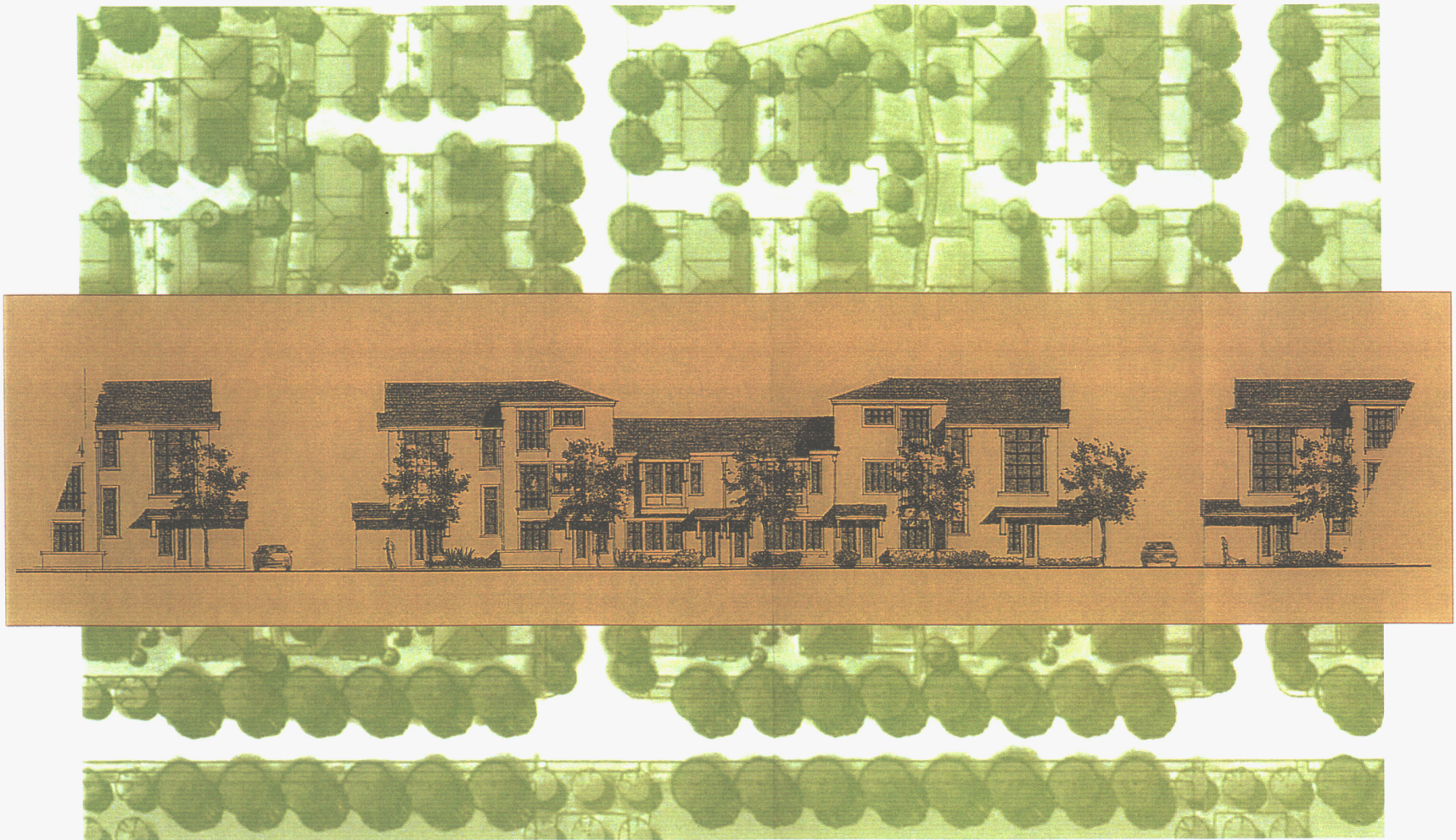




Live Work & Carriage Units





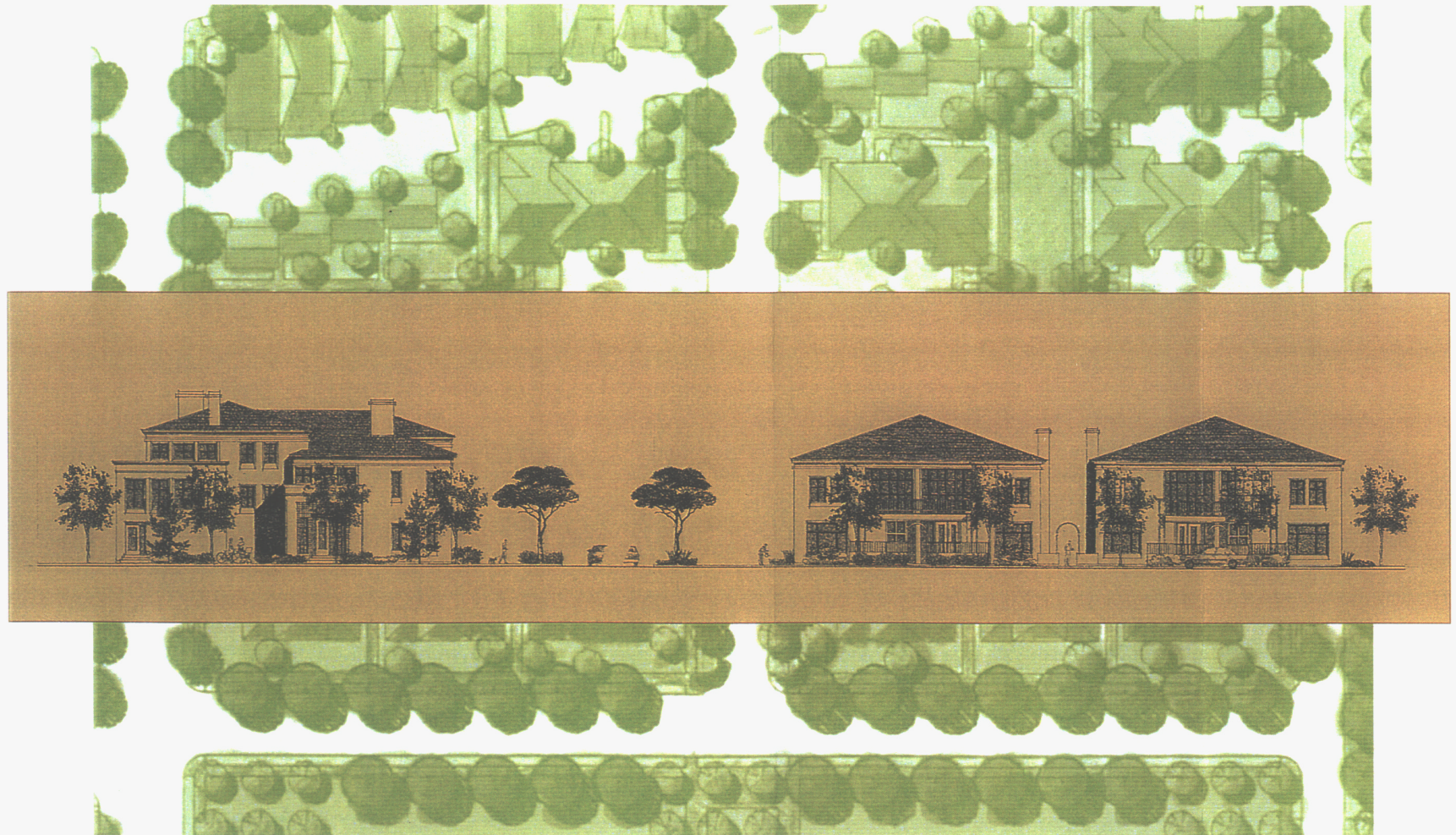


12-Plexes

EXHIBIT C-4







4-Plexes





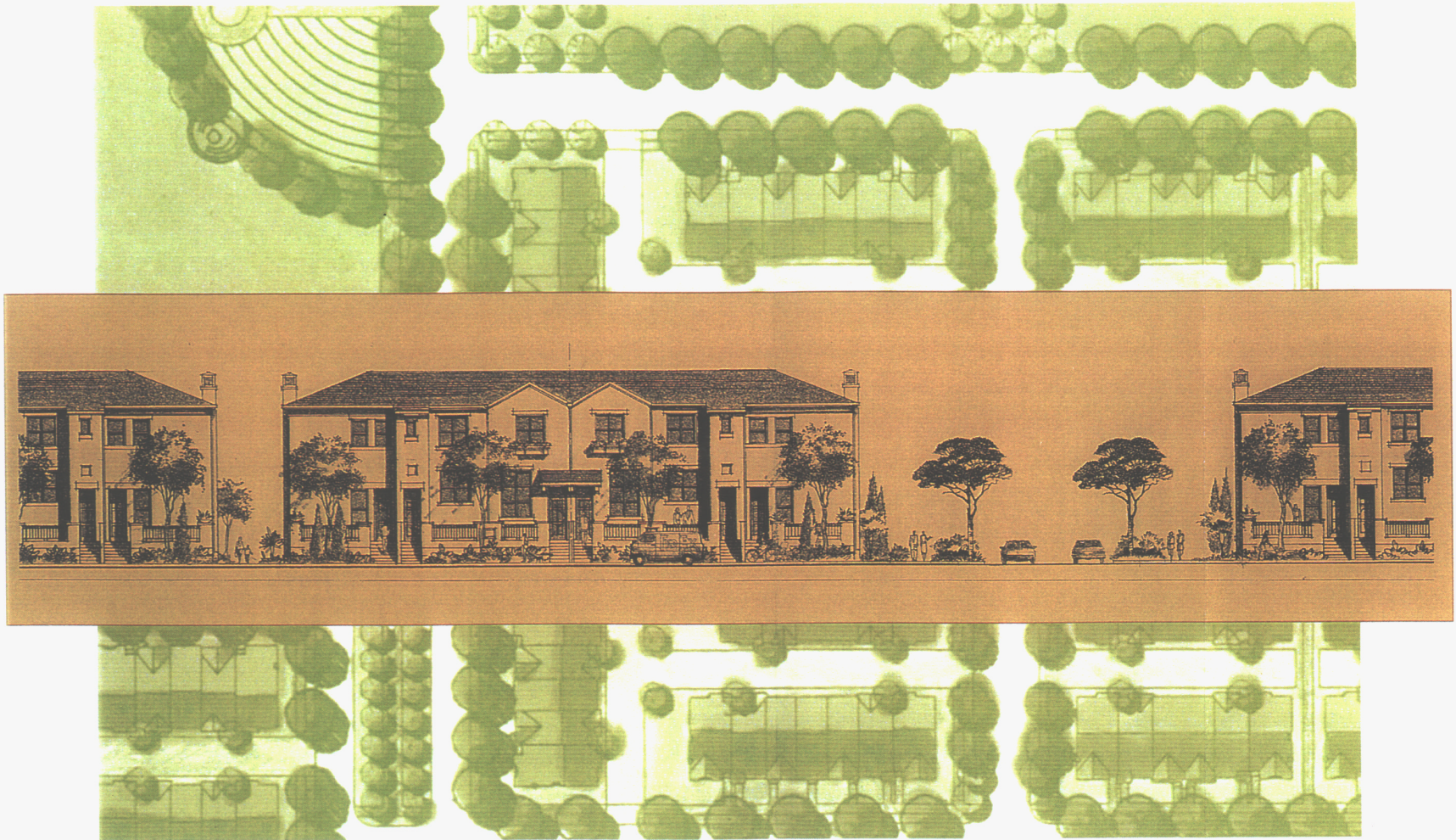


EXHIBIT C-6

Townhomes







EXHIBIT C-7

Single Family Detached

